



Arizona State Retirement System

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ASRS News

Arizona called a 'National Leader' in pension field

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Arizona is a “national leader” in managing long-term liabilities for public pensions and retiree health care, according to a nationwide study of public pension programs.

The Pew Center on the States, a division of the nonprofit Pew Charitable Trusts, released a comprehensive report on February 18, 2010 and noted that Arizona is one of 16 states labeled as “solid performers” when it comes to managing their public sector retirement benefits. And, Arizona was listed as one of just nine states with the same distinction for retiree health insurance.

The Arizona State Retirement System is the state’s largest public pension plan, with a membership of more than 555,000 and a trust fund of more than \$23.5 billion. The ASRS covers over 223,000 actively contributing members, including state, municipal and county workers, public school and charter school teachers and community college and university employees. Approximately 100,000 retirees are currently receiving monthly retirement benefits.

The ASRS also oversees a retiree health insurance program and a long-term disability income plan.

The Pew report underscored a nationwide concern of funding for pension programs in general. Most pension plans have an underfunded status. Arizona, for example, has an overall funded status of approximately 80 percent, according to the Pew report. However, because plans account for that and collect contributions that are earmarked to improve the funded status over time, the concern is lessened.

Along with Alaska, Arizona is one of just two states with a funded status for a retiree health plan of more than 50 percent. The funded status for the ASRS retiree health insurance program is approximately 87 percent and appears to be the highest of any state public pension-administered health insurance plan.

“We are pleased to see Arizona recognized as a national leader among our peers,” ASRS Director Paul Matson said. “We also recognize that there still is work to be done. We will continue to monitor our investments, analyze our contribution rates and monitor our benefit structure to ensure we are doing all we can to administer an efficient and reliable plan for our members.”